



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 28, 2011

John Wagner
Materion Natural Resources
P.O. Box 815
Delta, Utah 84624

Subject: First Review of Notice of Intention to Commence Large Mining Operations, Materion Natural Resources Company, Topaz Mine, M/023/0003, Juab County, Utah

Dear Mr. Wagner:

The Division has completed a review of your five year escalation of surety amount, which was received August 3, 2011. The attached comments will need to be addressed before tentative approval may be granted.

The Division will suspend further review of the surety calculations until receiving your response. If you have any questions about these comments, please contact me at 801-538-5261 or Wayne Western, at 801-538-5263. Thank you for your cooperation in completing this permitting action.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:whw:eb

Attachment: Review; Spreadsheet examples

cc: wstokes@utah.gov

P:\GROUPS\MINERALS\WP\M023-Juab\M0230003-Topaz-brush\final\Rev1-4284-09202010.doc



**1st REVIEW OF NOTICE OF INTENTION
TO COMMENCE LARGE MINING OPERATIONS**

Materion Natural Resources

Topaz Mine

M/023/0003

September 28, 2011

R647-4-113 – Surety

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
1	First page letter	The withdrawal of the South Wind Phase I LMU will have to be documented in the NOI. If it is withdrawn, it will need to be re-included in the NOI before the area is mined.	whw	
	Second page letter	The Division is using an escalation factor 1.7% in 2011.	whw	
	Second page letter	The summary sheet should be a stand alone page rather than part of a letter. The bond calculation did not have a complete summary sheet.	whw	
		The Division usually uses Blue Book rental rates for equipment costs. The Division also assumes the monthly rental rate and then divides by 176. The assumption is based on the contractor owning the equipment rather than renting it. The Division will provide the Blue Book costs on request. If another source is used please indicate the source. List rental rates under equipment costs, operating costs (fuel and lubrications). Overhead is 10%; please include for equipment costs but not labor.	whw	
		Please fill in the earthwork tables like the enclosed examples.	whw	
		For ripping costs please include the cost for the ripper. The Division can provide this information on request. Also see example provided by the Division.	whw	
		Topsoil placement will be done with a G631 scraper. There are two types of G631 scrapers; one is an auger and the other is not. If a non-auger model is used, a dozer will be needed to load the scraper. Please include a reference for the rental and operating costs.	whw	
		A cost estimate for application of stone mulch could be done with the earthwork worksheets because the application involves scrapers and general earthmoving equipment.	whw	
		The use of dozer and sheep foot should also be shown on the earthwork spreadsheet.	whw	
		The seed costs can be shown on the vegetation worksheet.	whw	